

220 CMR 78.00: ACCOUNTING TREATMENT OF INVESTMENT TAX CREDIT
FOR UTILITIES

The tentative accounting treatment for other utilities reporting to the Department shall be in the same manner as set forth in its order of January 10, 1963 for Gas and Electric Companies as follows:

Sectional Accounting Procedures:

"'Taxes Accrued' shall be debited and 'Unamortized Investment Credit' shall be credited to the extent that property costs have been reduced through the application of the investment credit."

"'Unamortized Investment Credit' may be debited and 'Amortization of Investment Credit' may be credited with an amount which will amortize the investment credit over the productive lives of the properties giving rise to the credit. In the case of a utility rendering a number of utility services, insofar as practicable the utility shall assign directly to the utility department its proportionate share based on the investment in property giving rise to the Investment Credit. The investment credit amortization attributable to leased utility plant and non-utility property shall be credited as far as practicable to the accounts in which the income or expense is included."

The Department recognizes that said accounting procedure will conflict with interim orders of federal and other State regulatory Commissions on this subject with which some of the companies will be required to file reports. However, the Department will entertain a petition from any Company for exemption thereof if it deems that this order will impose undue hardship.

REGULATORY AUTHORITY

220 CMR 78.00: M.G.L. c. 25, § 5.